GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:544
ANSWERED ON:20.11.2007
ALLOCATION FOR KHADI AND VILLAGE INDUSTRY
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether budgetary allocation for Khadi and Village Industries Commission (KVIC) has remained unutilised;

(b) if so, the details thereof and the reasons therefor;

(c) whether the number of Khadi institutions has steadily declined from 3,758 in 2001 to 1,908 in 2006; and

(d) if so, the steps proposes to be taken by the Government to promote Khadi production in the country?

Answer

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) & (b): More than 99 per cent of the budgetary allocation made for Khadi and Village Industries Commission (KVIC) has been utilized. The budgetary allocations made for (KVIC) under various plan heads and funds released to KVIC during last three years are as under:

(Rs. in crores)

Year	Budgetary allocation (at RE stage)	Fund released to KVIC
2004-05	462.00	460.99 (99.78%)
2005-06	560.82	558.56 (99.56%)
2006-07	592.93	589.82 (99.47%)

(c)&(d): The number of khadi institutions registered with KVIC and State/UT Khadi and Village Industries Boards has declined slightly from 2046 khadi institutions (not 3758 institutions) in 2001-02 to 1919 khadi institutions (not 1908 institutions) in 2006-07. Special efforts have been made by the Government through KVIC to increase the number of khadi institutions along with their development which includes, removal of ban on registration and establishment of new khadi institutions promoted by people belonging to SC/ST category and in North Eastern States, providing subsidized rates of interest on bank loans through Interest Subsidy Eligibility Certificate Scheme (ISEC), Scheme for improved designs through Product Development Design Intervention and Packaging (PRODIP), categorization of khadi institutions, increasing the special rebate period from 90 to 108 days, providing all modern facilities for production of garments through 'Ready to use Mission'. Assistance is also provided to khadi institutions by KVIC to participate in exhibitions at the international, national, and sub-national levels. MoU has also been signed between KVIC and Ministry of Textiles to avail facilities of their laboratories situated across the country for testing khadi and polyvastra. A new scheme called Scheme of Fund for Regeneration of Traditional Industries (SFURTI) has been launched which envisages assistance for setting up of common facility centres, quality improvement, training and capacity building, development of new products, improved packaging, new design, market promotion, etc .